Martin Vaughan
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WASHINGTON -(Dow Jones)- Some Capitol Hill Democrats want President Barack Obama to extend tax cuts for wealthy Americans now scheduled to expire at the end of 2010, arguing that a tax increase could hinder economic recovery.

"I think there is a certain logic to leaving well-enough alone for now, given the fragility of the economic recovery," said Rep. Gerry Connolly (D., Va.). " It's a question of prudent judgment and timing."

White House officials are preparing to unveil their 10-year budget plan on Feb. 2, which will include a decision on what to do about the pending expiration of tax cuts enacted under President George W. Bush.

Asked in recent days about the tax cuts for the wealthy, administration officials have insisted that Obama won't propose extending the tax cuts for the wealthy.

"That's not something we have contemplated, and I don't think that's a necessary act," Treasury Secretary Tim Geithner said in an interview with CNBC last week.

Obama during the campaign and in last year's budget plan proposed extending Bush tax cuts affecting the poor and middle class. He proposed letting the top two tax rates, now 33% and 35%, return to 36% and 39.6% respectively, in 2011.

This year, the top rate will apply to income above $373,650 for individuals and married couples. Under Obama's plan, the 36%, second-highest rate would kick in at $200,000 for individuals and $250,000 for married couples.

Obama also proposed bumping the 15% rate on capital gains and dividends up to 20% for those with income in excess of $200,000, or $250,000 for married couples.

"The president's always said that tax cuts just for those people making more than a quarter million dollars a year--something like 2% of people--that those ought to expire when they were scheduled to expire, but...he has called for extending all the rest of the tax cuts," Austan Goolsbee, a member of the White House Council of Economic Advisers, said Monday on PBS.

However, some Democratic strategists looking toward midterm elections see peril in heading into November with looming tax increases on the horizon. Tax increases may be a potent issue for Republican opponents as Democrats defend majorities in the House and Senate.

Rep. Harry Mitchell (D., Ariz.), a second-term congressman who held on to his seat in 2008 with 53% of the vote, wrote Obama last week asking him to extend the lower capital gains and dividend rate, and estate tax rates.

"Given the unique economic difficulties we face as a nation, this is the wrong time to raise these taxes. We need to retain these tax cuts that encourage investment that stimulates growth and job creation," Mitchell wrote.

Connolly said the decision on whether or not to extend the tax cuts should be weighed against the impact of doing so on the deficit. But "re-instilling confidence in the economy" should be paramount, he said.

Their view, while gaining clout, remains in the minority among congressional Democrats. Rep. Jim McDermott (D., Wash.), a member of the tax-writing Ways and Means Committee, dismissed the argument that allowing taxes on investment to rise now would slow the recovery.

"There's no proof that the Bush tax cuts had anything but a negative effect," said McDermott.